

Message Text

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PAGE 01 STATE 005669
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-12 IO-14 ISO-00 TRSE-00 STR-06
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01
H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05
PA-02 CTME-00 AID-05 SS-15 ITC-01 USIA-15 PRS-01
SP-02 SOE-02 OMB-01 DOE-11 /136 R

DRAFTED BY EB/OT/STA:GWHITE:JH
APPROVED BY EB/OT/STA:JSSPIRO
TREAS:LPOTTS
STR:NADAMS (INFO)
STR:HLAWRENCE (INFO)
EA/J:HCOCHRAN
STR:DMCMINN (INFO)

-----102085 100106Z /64

P R 092339Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO PRIORITY
INFO USMISSION GENEVA
AMEMBASSY PARIS

UNCLAS STATE 005669

USMTN ALSO FOR US MISSION, USOECD

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: ANTIDUMPING PROCEEDINGS -- CARBON STEEL PLATE
FROM JAPAN (THE GILMORE STEEL CO. CASE)

REF: 77 STATE 237754

1. TREASURY WILL PUBLISH IN FEDERAL REGISTER ON OR ABOUT
JANUARY 13 NOTICE OF SALES AT LESS THAN FAIR VALUE CONCERN-
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ING IMPORTS OF CARBON STEEL PLATE FROM JAPAN.

2. THE CASE IS BEING REFERRED TO U.S. INTERNATIONAL TRADE
COMMISSION FOR DETERMINATION OF INJURY TO U.S. INDUSTRY.
SHOULD ITC FIND INJURY, DUMPING DUTIES WOULD BE ASSESSED
ON SUBJECT MERCHANDISE IMPORTED AFTER OCTOBER 6, 1977, DATE
ON WHICH CUSTOMS APPRAISEMENT WITHHELD.

3. U.S. IMPORTS OF SUBJECT MERCHANDISE FROM JAPAN AMOUNTED TO \$174 MILLION IN 1976.

4. EMBASSY OF JAPAN WAS INFORMED JANUARY 9. TREASURY ISSUED PRESS RELEASE JANUARY 9.

5. THE FOLLOWING IS THE TEXT OF THE PRESS RELEASE:

BEGIN TEXT.

"THE TREASURY DEPARTMENT TODAY ANNOUNCED A FINAL DETERMINATION THAT FIVE JAPANESE STEEL COMPANIES HAVE BEEN SELLING CARBON STEEL PLATE IN THE UNITED STATES AT PRICES, COMPARED TO WEIGHTED AVERAGE SALES IN THE HOME MARKET, OF 5.4 TO 18.5 PERCENT LESS THAN FAIR VALUE.

THE CASE, INITIATED ON THE PETITION OF THE GILMORE STEEL CO., WILL NOW BE REFERRED TO THE U.S. INTERNATIONAL TRADE COMMISSION FOR ITS DETERMINATION OF WHETHER SUCH SALES HAVE CAUSED OR THREATEN INJURY TO THE U.S. INDUSTRY.

USING HOME MARKET PRICES WHICH ARE ABOVE THE COST OF PRODUCTION AS THE STANDARD FOR "FAIR VALUE", WEIGHTED AVERAGE DUMPING MARGINS WERE FOUND AS FOLLOWS:

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NIPPON STEEL	9.1 PERCENT
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NIPPON KOKAN	7.3
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SUMITOMO	18.5
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KAWASAKI	5.4
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KOBE	13.9
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IN OCTOBER, THE TREASURY DEPARTMENT HAD TENTATIVELY DETERMINED THAT SALES AT LESS THAN FAIR VALUE HAD OCCURRED. AT THAT TIME, THE AVAILABLE INFORMATION INDICATED THAT THERE WERE INSUFFICIENT SALES IN THE HOME MARKET ABOVE THE COST OF PRODUCTION TO PROVIDE A BASIS FOR COMPARISON WITH EXPORT PRICES. THEREFORE, "FAIR VALUE" WAS BASED ON THE CONSTRUCTED VALUE OF JAPANESE COSTS OF PRODUCTION, INCLUDING A MANDATORY 8 PERCENT MINIMUM PROFIT. WHEN COMPARED WITH THIS CONSTRUCTED VALUE, WEIGHTED AVERAGE MARGINS OF 32 PERCENT BY ALL FIVE OF THE LARGE JAPANESE MILLS WERE FOUND.

SINCE ITS TENTATIVE DETERMINATION, AN EXTENSIVE STUDY OF JAPANESE STEEL COSTS HAS BEEN MADE IN CONNECTION WITH THE ESTABLISHMENT OF THE STEEL TRIGGER PRICE MECHANISM.

THIS STUDY, CONDUCTED BY THE STAFF OF THE COUNCIL ON WAGE AND PRICE STABILITY, WAS BASED ON AGGREGATED DATA OBTAINED FROM THE SIX LARGEST JAPANESE STEEL MILLS, WHICH WERE CHECKED AGAINST OTHER AVAILABLE INFORMATION FROM U.S. AND FOREIGN SOURCES.

TO BE THE "BEST AVAILABLE INFORMATION" CONCERNING JAPANESE COSTS OF PRODUCTION. WITH ADJUSTMENTS FOR DIFFERENCES IN EXCHANGE RATES, INFLATION, RAW MATERIAL COSTS AND CAPACITY UTILIZATION FOR THE PERIOD RELEVANT
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TO THIS CASE, OCTOBER 1976 TO MARCH 1977, THEY PROVIDE THE BEST BASIS FOR DETERMINING COSTS OF PRODUCTION APPLICABLE TO THIS CASE.

ENOUGH SALES IN THE HOME MARKET ABOVE THE CALCULATED COST OF PRODUCTION OCCURRED DURING THE PERIOD OF INVESTIGATION TO PERMIT THE USE OF HOME MARKET PRICES AS THE BASES FOR DETERMINING "FAIR VALUE."

THE TREASURY DEPARTMENT'S FINDINGS ARE BASED ON A SINGLE "COST OF PRODUCTION" FIGURE FOR ALL CARBON STEEL PLATE FOR ALL COMPANIES AND THE WEIGHTED AVERAGE OF ALL HOME MARKET SALES PRICES ABOVE THAT FIGURE FOR EACH COMPANY. HOME MARKET SALES BELOW COST OF PRODUCTION WERE EXCLUDED FROM THE CALCULATIONS.

THE INDIVIDUAL IMPORT SALES OF EACH COMPANY WERE THEN COMPARED AGAINST THESE AVERAGES TO OBTAIN THE DUMPING MARGINS. THE MARGINS FOUND WILL BE USED TO FIX THE AMOUNT OF THE BONDS THAT MUST BE POSTED HENCEFORTH ON IMPORTS FROM ALL JAPANESE PRODUCERS.

ACTUAL DUMPING DUTIES WILL BE ASSESSED ONLY IF THE ITC DETERMINES THAT INJURY WAS CAUSED OR THREATENED BY THESE SALES AND A FINAL DUMPING FINDING IS ISSUED. THE ITC MUST MAKE ITS DECISION WITHIN THREE MONTHS, AFTER WHICH DUMPING FINDINGS ARE USUALLY PUBLISHED WITHIN 30 DAYS.

THE AMOUNT OF ACTUAL DUTIES THAT IMPORTERS WILL BE REQUIRED TO PAY WILL NOT BE BASED ON AVERAGE MARGINS. DUTIES ARE BASED ON PRECISE COMPARISONS OF SALES OF CARBON PLATE OF APPROXIMATELY THE SAME TYPE (INCLUDING EXTRAS) MADE AT HOME AND IN THE U.S. MARKET AT APPROXIMATELY THE SAME
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TIME. ACTUAL DUMPING DUTIES ON ANY PARTICULAR ENTRY MAY, THEREFORE, BE LOWER OR HIGHER THAN THE WEIGHTED AVERAGE MARGINS ANNOUNCED TODAY.

CARBON STEEL PLATE, AS COVERED BY THIS FINDING, MEANS HOT-ROLLED CARBON STEEL PLATE, .1875 INCHES OF MORE IN THICKNESS, OVER 8 INCHES IN WIDTH, NOT IN COILS, NOT PICKLED, NOT COATED OR PLATED WITH METAL, NOT CLAD, AND NOT CUT, PRESSED, OR STAMPED TO NON-RECTANGULAR SHAPE. IN CALENDAR 1976 IMPORTS OF THIS PRODUCT WERE VALUED AT \$174 MILLION." END TEXT.

6. THE CALCULATION OF THE WEIGHTED AVERAGE MARGIN, 5.4 TO 18.5 PERCENT, ON SALES AT LESS THAN FAIR VALUE WAS BASED ON DATA FROM ONE MONTH RATHER THAN THE FULL SIX MONTHS UNDER INVESTIGATION, EXCEPT KOBE. CUSTOMS WILL COMPLETE THE CALCULATIONS BY THE EARLY PART OF THE WEEK OF JANUARY 16 AND WILL PUBLISH A NOTICE OF CORRECTION.

7. EMBASSY REQUESTED TO PROVIDE A COPY OF THIS CABLE TO AMBASSADOR WOLFF OF STR.

8. COPY OF FEDERAL REGISTER NOTICE WILL BE AIRPOUCHED. VANCE

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PAGE 01 STATE 005669
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011

DRAFTED BY: EUR/RPE:RLAMANTIA

APPROVED BY: EUR/RPE:EDWARD A CASEY

-----024107 162033Z /43

R 161930Z JAN 78

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS

UNCLAS STATE 005669

FOL TEL SENT ACTION TOKYO INFO GENEVA PARIS FROM SECSTATE
DTD 09 JAN 1978 QTE

UNCLAS STATE 005669

USMTN ALSO FOR US MISSION, USOECD
EO11652: N/A

TAGS: ETRD, JA

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NIPPON KOKAN 7.3

SUMITOMO 18.5

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, CARBON, ANTIDUMPING LAW (TRADE)
Control Number: n/a
Copy: SINGLE
Draft Date: 09 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE005669
Document Source: CORE
Document Unique ID: 00
Drafter: GWHITE:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780013-1280
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780183/aaaacsry.tel
Line Count: 394
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c0b56de5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 237754
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3805077
Secure: OPEN
Status: NATIVE
Subject: ANTIDUMPING PROCEEDINGS -- CARBON STEEL PLATE FROM JAPAN (THE GILMORE STEEL CO. CASE)
TAGS: ETRD, JA
To: TOKYO USMTN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c0b56de5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014